

**REMARKS**

The above-identified application is United States application serial number 10/772,065 filed on February 3, 2004. Claims 1-30 are pending in the application. Claim 18 is withdrawn from consideration. Claims 7, 13-17, 19-23 and 25-30 are rejected. Claims 1-6, 8-12 and 24 are objected to.

**Election/Restrictions**

Applicant has canceled withdrawn claim 18.

**Claim Objections**

Applicant has amended Claims 1-12 and 23-27, either directly or by dependence to address the objections to informalities as directed by the Examiner.

**Rejection of Claims under 35 U.S.C. §112**

Claims 7, 13-17, 19, 20-23 and 25-30 are rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Applicant has amended the claims as directed by the Examiner to address the rejections.

**Rejection of Claims under 35 U.S.C. §102**

Claims 20-22 are rejected under 35 U.S.C. §102(b) as being anticipated by "Efficient Identification and Signature Schemes" by Ohta. Applicant has amended Claims 20-22 directly and by dependence to distinguish over Ohta, which does not disclose a "unique key for usage by the smart card to create a PIN encryption key computed by an equation of the form:  $K = u \cdot TSN^H \pmod{N}$ , where K is a keying code, u is a secret key, TSN is a transaction sequence identifier that identifies the terminal and a sequence number for a transaction originating at the terminal, H is a hash of transaction data elements, and N is a modulus in an RSA (Rivest, Shamir, and

KDESTNER\_BERTANI LLP

2192 MARTIN ST.  
SUITE 150  
IRVINE, CA 92612  
TEL (949) 251-0250  
FAX (949) 251-0250

Adelman Public Key Cryptosystem) system; and the smart card hashes the keying code K to form the PIN encryption key KPE according to an equation of the form:  $KPE = h(K)$ , where  $h()$  is a hashing algorithm."

Rejection of Claims under 35 U.S.C. §103

Claims 13-14 are rejected under 35 U.S.C. §103(a) as being unpatentable over Ohta in view of U.S. Patent 4,288,659 to Atalla. Applicant has amended Claim 13 to include the limitations of Claim 15 to which the Examiner has objected as being dependent upon a rejected base claim but allowable if rewritten in independent form including all limitations of the base claim and any intervening claims. Accordingly, Claim 14 is allowable at least on the basis of dependence on an allowable claim. Applicants have canceled Claim 15 as otherwise redundant and made minor amendments to Claims 16 and 17 to properly state dependence following the amendment of Claim 13.

Claim 19 is rejected under 35 U.S.C. §103(a) as being unpatentable over Ohta and Atalla, as applied to claim 13 above, in further view of U.S. Patent 6,990,471 to Rajaram. Amendment of Claim 13 makes Claim 19 allowable at least on the basis of depending from an allowable base claim.

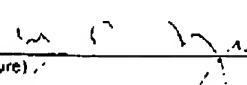
KOESTNER BERTANI LLP

2102 MARTIN ST.  
SUITE 100  
IRVINE, CA 92612  
TEL (949) 231-0230  
FAX (949) 231-0260

**CONCLUSION**

The application, including all remaining Claims, is believed to be in condition for allowance and a notice to that effect is solicited. Nonetheless, should any issues remain that might be subject to resolution through a telephonic interview, the examiner is requested to telephone the undersigned at (949) 251-0250.

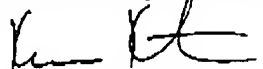
I hereby certify that this correspondence is being facsimile transmitted to the USPTO, Central Number at (571) 273-8300 on the date shown below.

(Signature) 

Jay C. Ngo  
(Printed Name of Person Signing Certificate)

June 3, 2008  
(Date)

Respectfully submitted,

  
Ken J. Koestner  
Attorney for Applicant(s)  
Reg. No. 33,004

KOESTNER BERTANI LLP

2192 MARTIN ST.  
SUITE 150  
IRVINE, CA 92613  
TEL (949) 251-0250  
FAX (949) 251-0260